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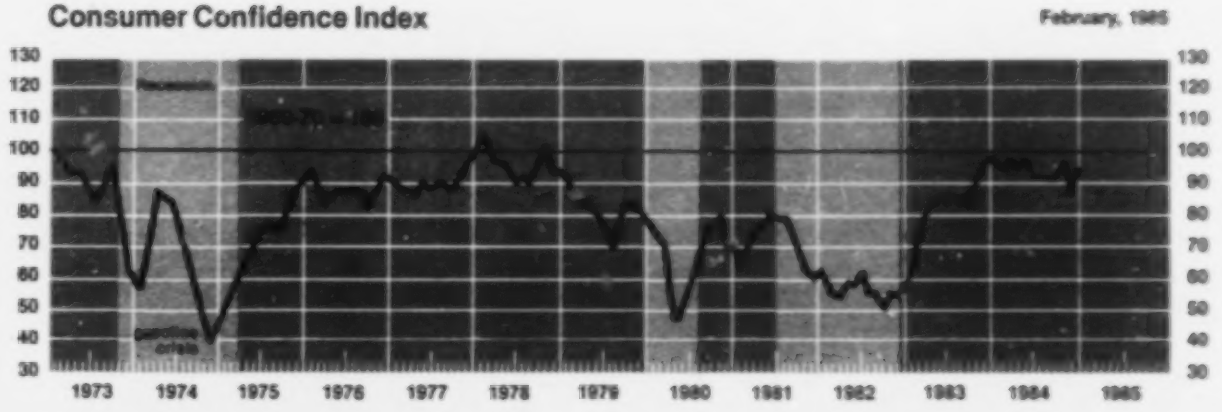
Consumer Attitudes and Buying Plans

A Monthly Report from The Conference Board
Based on a Survey Conducted by NFO Research, Inc.

Consumer Confidence Index



CONFIDENCE RECOVERS STRONGLY
BUYING PLANS ALSO GAIN

Consumer spirits, which had sagged in December, recovered smartly in January, regaining all of the earlier loss. The Board's Confidence Index (1969-70 = 100) now registers 95.3 for a gain of almost 10 points in the month. Plans to buy have also made a nice recovery.

Consumers are a good deal more comfortable with the current situation than they were a month earlier. A substantially larger number now consider present business conditions to be "good," and there has been an increase in those who indicate that jobs are "plentiful."

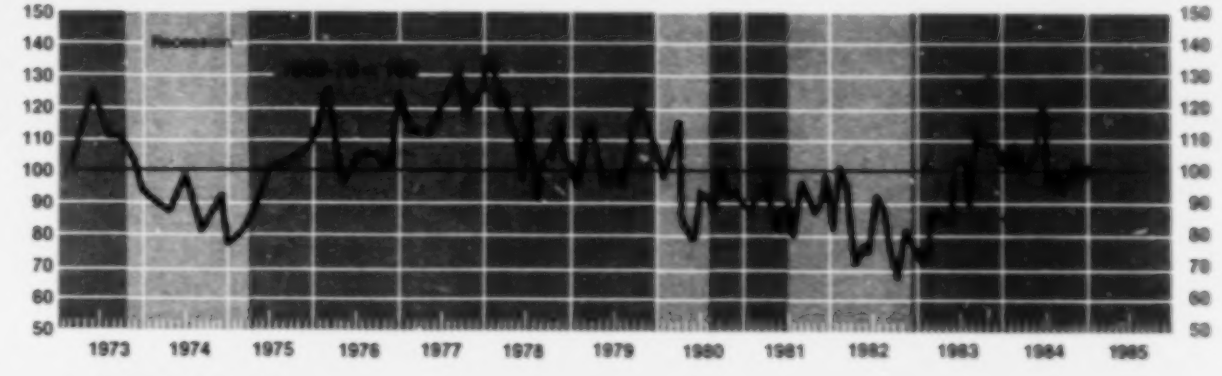
Consumers are also a lot more optimistic as they look ahead to the first half of 1985. The number who believe that business conditions and job availability will improve increased only slightly. However, there were sizable declines in the proportion who fear that the business and employment situations will deteriorate in the months to come. There was a small increase in the proportion that expect their family's financial situation to improve.

Car buying plans are up. In the latest probe, 8.7% of those contacted planned to make such a purchase, compared with 8.1% earlier. Intentions to acquire a home have edged up to 3.1%, from 2.9 percent. The proportion of those who say they will acquire a major appliance in the period ahead has remained more or less unchanged.

The impressive improvement in consumer confidence in January makes it increasingly difficult to explain the sharp drop in December, especially following the noteworthy gain in November. But the Board's confidence index was not alone in registering this particular pattern. The widely cited Survey of Purchasing Agents recorded a parallel pattern. The December situation will become somewhat clearer when more of the economic statistics are available. But the circumstances that may have shaken consumers in December clearly appear to have caused scant concern in January. Still, while consumer expectations were more optimistic in January, most of that improvement reflects a decline in the number of pessimists rather than an increase in optimists. While the outlook is now distinctly more positive, the December experience still leaves a faint shadow of a doubt.

Fabian Linden

Buying Plans Index



All data seasonally adjusted

Consumer Expectations and Intentions

Based on surveys conducted by NFO Research, Inc.
Percentage of all households = 100%

All series seasonally adjusted	1984 Jan.	Feb.	Mar.	Apr.	May	Jun.	July	Aug.	Sept.	Oct.	Nov.	Dec.(r)	1985 Jan.(p)
Composite Series: Index Numbers, 1969-1970 = 100													
Consumer Confidence Index	98.4	95.7	94.5	97.9	95.2	97.1	91.2	91.9	91.0	91.5	96.8	85.9	95.3
Present Situation	63.2	67.2	69.0	73.1	75.0	83.0	77.5	78.7	79.8	76.7	81.0	72.1	83.5
Expectations	121.9	114.6	111.5	114.8	108.6	106.1	102.0	100.6	98.4	101.3	107.3	95.0	103.2
Buying Plans Index	101.3	108.0	103.9	99.4	105.1	121.9	94.1	100.6	93.3	96.5	102.7	96.2	101.2
Appraisal of Present Situation: Percent													
Business Conditions													
Good	24.7	25.5	25.4	26.9	26.6	26.8	27.0	27.6	28.7	26.9	29.6	25.6	29.3
Bad	21.8	23.0	20.4	19.9	19.8	18.2	19.8	19.9	19.0	19.7	20.1	22.0	18.9
Normal	53.5	51.5	54.2	53.2	53.6	55.0	53.2	52.5	52.3	53.4	50.3	52.4	51.8
Employment													
Jobs plentiful	11.4	14.0	13.1	15.3	15.6	19.1	17.3	18.1	17.7	16.9	19.1	16.5	18.9
Jobs not so plentiful	50.4	49.6	51.9	48.9	51.2	50.7	49.9	49.0	49.3	49.9	47.8	48.5	50.7
Jobs hard to get	36.4	35.0	35.8	33.2	30.2	32.8	32.8	32.9	33.0	33.2	33.1	35.0	30.4
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	33.1	28.7	28.4	27.4	22.3	23.3	22.2	22.8	23.0	24.3	26.1	20.0	21.7
Worse	3.9	5.8	6.1	5.8	6.9	7.6	8.7	9.0	9.5	8.3	8.6	10.2	7.4
Same	63.0	65.5	67.5	66.8	70.8	69.1	69.1	68.2	67.5	67.4	65.3	69.8	70.9
Employment													
More jobs	25.7	21.4	20.6	20.2	17.8	17.1	16.5	16.7	16.2	16.5	19.2	16.4	17.6
Fewer jobs	10.6	11.9	12.1	11.4	12.2	13.3	15.8	15.2	16.0	16.8	13.7	17.2	14.2
Same	63.7	66.7	67.3	68.4	70.0	69.6	67.7	68.1	67.8	64.7	67.1	66.4	68.2
Income													
Increase	32.4	27.3	26.1	30.6	27.6	29.3	29.5	28.2	27.0	29.1	30.9	26.7	28.5
Decrease	7.3	6.3	7.2	6.8	6.2	6.1	7.6	7.5	7.5	8.6	6.8	7.9	8.4
Same	60.3	66.4	66.7	62.6	66.2	64.6	62.9	64.3	65.5	62.3	62.3	65.4	63.1
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	8.4	8.8	8.6	8.5	8.2	10.0	7.8	8.5	7.0	7.9	8.5	8.1	8.7
New	5.1	4.9	4.7	3.9	4.3	5.1	4.6	4.8	3.6	4.4	4.9	4.6	4.7
Used	2.5	3.4	3.0	3.0	3.2	3.3	2.5	2.8	2.3	2.8	2.7	2.6	2.7
Uncertain	0.8	0.5	1.1	1.6	0.7	1.6	0.7	0.9	1.1	0.7	0.9	0.9	1.3
Home													
Yes	3.4	3.8	3.3	3.1	3.7	3.8	3.0	3.3	3.4	3.3	3.1	2.9	3.1
New	1.0	0.9	0.8	0.9	1.0	1.3	1.0	0.9	1.1	1.1	1.0	1.2	0.8
Lived in	1.4	2.0	1.6	1.4	1.7	1.6	1.3	1.6	1.6	1.4	1.3	1.2	1.5
Uncertain	1.0	0.9	0.9	0.8	1.0	0.9	0.7	0.8	0.7	0.8	0.8	0.5	0.8
Major appliances													
Total plans	26.7	27.3	27.4	26.9	27.1	33.5	25.3	26.5	25.8	27.2	29.5	27.8	27.2
Refrigerator	3.2	3.6	3.6	3.7	3.9	5.0	4.1	4.0	4.1	3.5	4.5	4.2	3.5
Washing machine	3.4	4.0	3.8	3.2	3.6	4.0	2.8	3.4	3.3	3.3	3.9	3.9	3.7
Black and white TV	0.9	0.8	0.9	1.1	0.8	1.3	0.8	0.7	0.7	0.5	1.0	0.7	0.7
Color TV	7.8	7.0	7.5	7.7	7.0	8.4	6.1	7.7	7.0	7.5	7.8	7.0	7.2
Vacuum Cleaner	4.1	4.8	4.1	4.8	4.2	6.0	5.1	4.0	4.1	5.2	4.7	5.0	5.1
Range	2.6	2.6	2.9	2.3	2.4	3.0	2.3	2.6	2.9	2.3	2.9	2.5	2.4
Clothes dryer	2.8	2.9	2.6	2.7	3.2	3.3	2.7	3.0	2.5	3.4	3.2	2.9	3.3
Air conditioner	1.9	1.6	2.0	1.4	2.0	2.5	1.4	1.1	1.2	1.5	1.5	1.6	1.3
Carpet	6.5	7.3	7.2	5.9	6.8	8.5	6.2	6.9	6.3	6.9	7.4	7.0	5.9
Vacation Intended Within Six Months: Percent													
Vacation Intended		45.8		46.9		49.4		49.0		48.5		45.1	
Destination													
Home state		8.8		8.7		9.9		9.5		10.5		7.2	
Other state		32.0		32.8		34.9		33.7		33.6		31.6	
Foreign country		6.2		7.6		6.7		7.5		6.3		6.8	
Means of Travel													
Automobile		29.9		29.8		33.0		31.3		30.3		26.5	
Airplane		15.4		18.6		17.6		17.3		17.3		17.9	
Other		3.5		3.8		3.9		4.6		3.5		3.7	

(p)—preliminary (r)—revised

Please Note: In the interest of speeding the data contained in this publication to you, these series are now available on-line through The Conference Board Data Base. For more information, contact Linette Stein Waters at (212) 759-0900.